



7020-02

INTERNATIONAL TRADE COMMISSION
[Investigation No. 337-TA-1107]

Certain LED Lighting Devices and Components Thereof; Commission Determination to Review-in-Part an Initial Determination Granting Complainant's Motion for Summary Determination on Violation by Defaulting Respondents; and, on Review, to Find a Violation of Section 337; Request for Written Submissions on Remedy, Bonding, and the Public Interest

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to review-in-part an initial determination ("ID") (Order No. 21) of the presiding administrative law judge ("ALJ") granting summary determination on violation of section 337 of the Tariff Act of 1930, as amended, ("section 337") by certain defaulting respondents. On review, the Commission has determined to find a violation of section 337. The Commission is requesting written submission on remedy, bonding, and the public interest.

FOR FURTHER INFORMATION CONTACT: Benjamin S. Richards, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 708-5453. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <https://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. Hearing-impaired persons are advised that information on this

matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on April 10, 2018, based on a complaint filed on behalf of Fraen Corporation ("Fraen") of Reading, Massachusetts. 83 FR 15399-15400 (Apr. 10, 2018). The complaint alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain LED lighting devices and components thereof by reason of infringement of one or more claims of U.S. Patent No. 9,411,083 ("the '083 patent") and U.S. Patent No. 9,772,499 ("the '499 patent"). *Id.* The complaint further alleges that a domestic industry exists. *Id.* The Commission's notice of investigation named as respondents Chauvet & Sons, LLC of Sunrise, Florida; ADJ Products, LLC of Los Angeles, California; Elation Lighting, Inc. of Los Angeles, California; Golden Sea Professional Equipment Co., Ltd. of Guangdong, China; Artfox USA, Inc. of City of Industry, California; Artfox Electronics Co., Ltd. of Guangdong, China; Guangzhou Chaoyi Light Co., Ltd. d/b/a Fine Art Lighting Co., Ltd. of Guangdong, China; Guangzhou Xuanyi Lighting Co., Ltd. d/b/a XY E-Shine of Guangdong, China; Guangzhou Flystar Lighting Technology Co., Ltd. of Guangdong, China; and Wuxi Changsheng Special Lighting Apparatus Factory d/b/a Roccer of Jiangsu, China. *Id.* The Office of Unfair Import Investigations ("OUII") is also participating in the investigation. *Id.*

On June 13, 2018, the ALJ issued an initial determination terminating Chauvet & Sons, LLC from the investigation on the basis of a license agreement. Order No. 14 at 1 (June 13, 2018), *unreviewed*, Notice (July 9, 2018).

On July 12, 2018, the ALJ issued an initial determination terminating ADJ Products, LLC and Elation Lighting, Inc. from the investigation on the basis of a license agreement. Order No. 17 at 1 (July 12, 2018), *unreviewed*, Notice (Aug. 8, 2018). In the same initial determination, the ALJ terminated Golden Sea Professional Equipment Co., Ltd. from the investigation based on the provisions of 19 C.F.R. § 210.21(a). *Id.*

On July 20, 2018, the ALJ issued an initial determination terminating Artfox USA, Inc. from the investigation on the basis of a license agreement. Order No. 18 at 1 (July 20, 2018), *unreviewed*, Notice (Aug. 14, 2018). In the same initial determination, the ALJ terminated Artfox Electronics Co., Ltd. from the investigation based on the provision of 19 C.F.R. § 210.21(a). *Id.*

On August 28, 2018, the ALJ issued an initial determination finding the remaining respondents in default for failure to respond to the complaint, notice of investigation, and her order to show cause. Order No. 20 at 2 (Aug. 28, 2018), *unreviewed*, Notice (Sep. 17, 2018).

On September 14, 2018, Fraen moved for summary determination of violation of section 337 by the defaulting respondents. In addition, Fraen requested a recommended determination for the Commission to issue a general exclusion order and set a bond in the amount of 100 percent of entered value. On September 28, 2018, OUII filed a response in support of Fraen's motion and requested remedy.

On May 16, 2019, the ALJ issued the subject ID granting Fraen's motion for summary determination of violation of section 337 by the defaulting respondents. Specifically, the ALJ found, *inter alia*, that Fraen established infringement of claim 1 of the '083 patent and claim 1 of the '499 patent; that Fraen established that the importation requirement is satisfied as to each

defaulting respondent and each accused product; and that Fraen satisfied both the technical and economic prongs of the domestic industry requirement. The ALJ's ID also included her recommendation that the Commission issue a general exclusion order and impose a 100 percent bond during the period of presidential review.

No petitions for review were filed.

Having examined the record of this investigation, the Commission has determined to review the ID in part. Specifically, the Commission has determined to review the ID's findings that Fraen satisfies the economic prong of the domestic industry requirement under section 337(a)(3)(A) and (C). On review, the Commission has determined to take no position on those issues.

The Commission has further determined not to review the remainder of the ID, including the ID's findings that Fraen has established infringement of claim 1 of the '083 patent and claim 1 of the '499 patent; that Fraen established that the importation requirement is satisfied as to each defaulting respondent and each accused product; that Fraen satisfied the technical prong of the domestic industry requirement; and that Fraen satisfied the economic prong of the domestic industry requirement under section 337(a)(3)(B). Accordingly, the Commission has determined to affirm with modifications the ID's finding of violation of section 337.

In connection with the final disposition of this investigation, the Commission may issue an order that could result in the exclusion of the subject articles from entry into the United States. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and

provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, *see Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843, Comm'n Op. at 7-10 (Dec. 1994).

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease and desist orders would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the U.S. Trade Representative, as delegated by the President, has 60 days to approve or disapprove the Commission's action. *See* Presidential Memorandum of July 21, 2005, 70 *Fed. Reg.* 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

WRITTEN SUBMISSIONS: Parties to the investigation, interested government agencies, and any other interested parties are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such submissions should address the recommended determination by the ALJ on remedy and bonding.

Complainant and OUII are also requested to submit proposed remedial orders for the

Commission's consideration. Complainant is also requested to state the date that the patents expire, the HTSUS numbers under which the accused products are imported, and to supply the names of known importers of the products at issue in this investigation. The written submissions and proposed remedial orders must be filed no later than close of business on July 15, 2019. Reply submissions must be filed no later than the close of business on July 22, 2019. No further submissions on these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above and submit eight true paper copies to the Office of the Secretary pursuant to Section 210.4(f) of the Commission's Rules of Practice and Procedure (19 CFR 210.4(f)). Submissions should refer to the investigation number ("Inv. No. 337-TA-1107") in a prominent place on the cover page and/or the first page. (*See Handbook on Filing Procedures, https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf*). Persons with questions regarding filing should contact the Secretary at (202) 205-2000.

Any person desiring to submit a document to the Commission in confidence must request confidential treatment unless the information has already been granted such treatment during the proceedings. All such requests should be directed to the Secretary of the Commission and must include a full statement of the reasons why the Commission should grant such treatment. *See* 19 CFR 210.6. Documents for which confidential treatment by the Commission is sought will be treated accordingly. A redacted non-confidential version of the document must also be filed simultaneously with any confidential filing. All information, including confidential business information and documents for which confidential treatment is properly sought, submitted to the Commission for purposes of this Investigation may be disclosed to and used: (i) by the

Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel¹, solely for cybersecurity purposes. All non-confidential written submissions will be available for public inspection at the Office of the Secretary and on EDIS.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, and in Part 210 of the Commission's Rules of Practice and Procedure, 19 CFR part 210.

By order of the Commission.

Issued: June 28, 2019.

Lisa Barton,
Secretary to the Commission.

¹ All contract personnel will sign appropriate nondisclosure agreements.

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